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C O N F I D E N T I A L SECTION 01 OF 03 ROME 001202

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SUBJECT: ITALY: BERLUSCONI STAYS MUM ON PRODI WIN

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[1](#)B. ROME 1162
[1](#)C. ROME 1115
[1](#)D. ROME 1107

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Classified By: Political M/C David D. Pearce for reasons 1.4 (b) and (d).

SUMMARY

[1](#)1. (C) PM Silvio Berlusconi has not yet conceded victory to opposition leader Romano Prodi even after Italy's Court of Cassation officially confirmed the electoral victory for Prodi on April 19. In the wake of the court's confirmation, congratulatory calls from world leaders began to flow into Prodi. Meanwhile, Berlusconi announced plans to continue challenging the narrow defeat even if some Forza Italia aides believe all practical avenues for legal recourse have been exhausted. Some of his own political allies have congratulated Prodi, and most contend Berlusconi's goal is less to challenge the election results than to apply pressure on Prodi's already weak government in the making. Tensions are emerging in the center-left over the candidates for the President of the two legislative chambers. As a result of this political turmoil, a new government should not be expected until the end of May at the very earliest. END SUMMARY.

BERLUSCONI NOT GIVING UP DESPITE COURT ANNOUNCEMENT

[1](#)2. (C) Italy's Court of Cassation's release of official election results April 19 confirmed center-left (CL) leader Romano Prodi as the winner of Italy's April 9-10 parliamentary elections (REF A). PM Silvio Berlusconi, however, has not conceded the victory and has promised to continue contesting the results in various administrative courts. A Forza Italia (FI) contact told Poloff, however, that the Court's ruling is final and that only the future CL-controlled parliament has jurisdiction over the matter. He said the Italian constitution makes it clear that the parliament has final say over issues involving the parliament, not the courts. One of the administrative courts in which Berlusconi has announced plans to challenge the results has, in fact, already declared itself to have no competency over the matter.

[1](#)3. (U) Citing sources in FI said to have heard it directly from Berlusconi, the press reports Berlusconi as saying, "We are going to give battle," and "there is no tradition that suggests" he should make a concession call to Prodi. A

Berlusconi aide told Poloff that Berlusconi will continue to resist conceding the electoral defeat for a few days and will do so for as long as he feels it successfully applies pressure on Prodi. He said Berlusconi has no desire to create an "institutional crisis" and would eventually accept the electoral results, but that he could not say whether Berlusconi would ever call Prodi directly.

BERLUSCONI ALLIES SPLIT ON CONCESSION

¶4. (C) Party Secretary for the Union of Christian Democrats of the Center (UDC) Lorenzo Cesa conceded victory to Prodi, and FI Minister for Equal Opportunity Stefania Prestigiacomo said Berlusconi should call Prodi, as well. A press release from the National Alliance (AN) "took note of the court's decision" but called attention to the need to address unresolved accusations of voting irregularities. Berlusconi's closest associate, U/S Gianni Letta, told visiting Codel Hyde on April 19 that he planned to support Berlusconi in a robust opposition (SEPTTEL), effectively conceding he will no longer be working from the Prime Minister's office. A Berlusconi aide said the Northern League is particularly hawkish about not conceding to Prodi, but that many FI insiders believe the time has come. If the second hand reports are true, Berlusconi indirectly recognized Prodi's legal victory when he said the Prodi "government is born dead" and that "it will fall this autumnn."

PRODI SAYS WORLD LEADERS ARE CALLING

¶5. (U) While responding to reporters' questions on whether Berlusconi had called to congratulate him, Prodi said, "Yesterday, I note, calls came from the whole world, from Mubarak to Bouteflika, and from all the leaders of Latin America and Europe." Alluding to a State Department statement from April 20, Prodi said April 21 that he expected

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a call would soon be coming from the U.S.

PRODI PREPARING TO GOVERN: SPLITS EMERGING

¶6. (SBU) Prodi greeted the news of the Court's announcement by raising the victory sign and declaring "We have won!" Speculation over future ministers and other important government positions is already intense. A dispute between the Democrats of the Left (DS) and Fausto Bertinotti's Communist Renewal (RC) party has spilled into the public domain and highlights tensions between the moderate and more radical members of the CL. Prodi's razor thin electoral victory and early intra-coalition squabbling has many predicting a hard time for Prodi. A front page editorial in Italy's paper of record, the Corriere della Sera, says "Prodi has won the elections" and quotes Prodi as saying "I can govern for five years as the law permits." It continues, "Certainly, the law permits that, but the numbers (of seats in parliament at your disposal) do not." A DS member of parliament told us today that Prodi must decide soon between D'Alema and Bertinotti or risk a long and drawn-out dispute that plays into the hands of the center-right. Another wild card is Clemente Mastella (UDEUR), a current Prodi ally who was a minister in the 1994 Berlusconi government. He has hinted he wants to be President of the Senate, and the CR has hinted it might support him.

PROJECTED TIMELINE

¶7. (SBU) Many variables are still in play but a possible timeline to government formation is emerging. CL contacts tell us Prodi wants to announce a future cabinet before the May 28 administrative elections, and CR contacts tell us Berlusconi wants to stretch out the time-line as long as

possible. Given those opposing goals, the current most likely scenario is:

April 21-24: Courts formally announce parliamentary seat allocations.

April 28: Parliament sits and begins deliberations over parliamentary presidents.

April 29: Parliamentary Presidents elected.

May 1-5: PM Berlusconi resigns. A DS Deputy told us that precedent exists for the PM to resign after new legislative presidents are elected. The Deputy told us that they understand Berlusconi will follow that example, though they are not certain. Berlusconi has not given any indication publicly of his intentions. If Berlusconi does not resign, the new CL-dominated parliament would be forced to declare a vote of no-confidence, which Berlusconi would certainly lose. In any case, Berlusconi would remain as leader of a caretaker government until a new government is formed.

May 13: New President of the Republic must be elected by this day, even though Ciampi's mandate does not officially end until May 18.

May 15-May 26: New President of the Republic taps Prodi to form the next government. Current President Ciampi has come under increasing pressure to tap Prodi at the soonest possible time, despite his declarations that his successor should assume that responsibility. Were Ciampi to change his mind, he could not ask Prodi to form a government until after Berlusconi resigns, which is one of the reasons why Berlusconi is holding on to his mandate as long as possible.

After being named PM-designate, Prodi must announce a list of government ministers; receive the blessing of the President of the Republic for his choices; and most importantly, obtain separate votes of confidence in both the Chamber of Deputies and the Senate. It is uncertain how long this will take and the timing will depend on the degree of coalition unity.

COMMENT

18. (C) Analysts both inside and outside FI believe Berlusconi is challenging the election results to deprive Prodi of any political momentum. Berlusconi reportedly said anyone who believes Prodi can lead a stable government is crazy, and he is doing his best to position himself and his party to take advantage of Prodi's weakness. His first goal probably is to assure the election of a new President of the Republic to his liking, though he has even started angling for a President of the Senate more to his tastes. However, even after a new

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President is elected, we should expect Berlusconi to keep political tensions high. Berlusconi feels the close election has vindicated him as a political leader and entitles him to a continued dominant role in Italian politics. In tandem, signs emerge daily that Prodi's own allies are hedging their bets given concerns that a Prodi-led government might not last very long. END COMMENT.
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